

Message Text

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42

ACTION EA-10

INFO OCT-01 ISO-00 COME-00 AEC-05 XMB-02 CIAE-00 INR-05

NSAE-00 RSC-01 TRSE-00 FRB-01 FPC-01 FEA-01 AID-05

IGA-01 DODE-00 PA-01 USIA-06 PRS-01 SP-02 EB-04

NSC-05 CIEP-01 SS-15 STR-01 OMB-01 CEA-01 DRC-01 /072 W
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R 170955Z OCT 74

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 7680

INFO AMEMBASSY TOKYO

AMCONSUL HONG KONG

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E.O. 11652: N/A

TAGS: IAEA, TECH, ENRG, TH

SUBJ: EGAT POSTPONES IMPLEMENTATION OF NUCLEAR POWER
PLANT PROJECT

REF: BANGKOK 8597 AND PREVIOUS

DEPT PASS USDOC, USAEC, EXIM. TOKYO FOR USAEC. HONG
KONG EXIM VP RAND

BEGIN SUMMARY - EGAT HAS CONFIRMED PRESS REPORTS OF INTENTION TO POSTPONE COMPLETION OF NUCLEAR POWER PLANT PROJECT FOR APPROXIMATELY TWO YEARS, BECAUSE OF DECREASED ENERGY CONSUMPTION PROJECTIONS, BUT INSISTS PROJECT IS NOT DEAD. TENDERS FOR PLANT CONSTRUCTION NOW EXPECTED IN SPRING 1975. PLANS ARE UNCHANGED FOR USE USAEC'S URANIUM ENRICHMENT SERVICES. END SUMMARY

1. IN EXCLUSIVE INTERVIEW REPORTED IN BANGKOK POST OCTOBER 17, KASEM CHATIKAWANIT, GENERAL MANAGER, ELECTRICITY GENERATING AUTHORITY OF THAILAND (EGAT), STATED NUCLEAR
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POWER PLANT PROJECT WILL BE POSTPONED, WITH PLANNED COM-

PLETION MOVED BACK FROM 1981 TO 1983. REASONS FOR DECISION WERE SAID TO BE QTE EXCEPTIONAL UNQTE DECREASE IN GROWTH RATE OF ENERGY CONSUMPTION, DUE TO OIL SUPPLY CRISIS, RESTRICTIONS ON USE OF ELECTRICITY AND LOWERING OF VOLTAGE, AND UNFAVORABLE INVESTMENT CLIMATE WHICH HAS LED TO DELAY IN ESTABLISHMENT OF PETROCHEMICAL COMPLEX, WHICH WOULD HAVE BEEN 1074 :7*1#;84, AS WELL AS SLOWDOWN IN TEXTILE INDUSTRY, A MAJOR CONSUMER. KASEM REPORTEDLY EXPLAINED THAT BY DELAYING PROJECT THERE WILL BE RISK OF RISING COSTS, BUT IF PLANT WERE SET UP ON ORIGINAL SCHEDULE IT WOULD NOT BE FULLY UTILIZED.

2. EGAT'S ATOMIC POWER DIVISION CHIEF, PREECHA CHUNGWATANA, HAS CONFIRMED TO EMBASSY THAT PRESS REPORT IS BASICALLY CORRECT, ALTHOUGH SOME DETAILS WERE MISQUOTED. PREECHA SAID EGAT HAD PROJECTED ENERGY CONSUMPTION GROWTH DURING FISCAL YEAR ENDING SEPTEMBER 30, 1974 AT EIGHTEEN PER CENT, WHEREAS ACTUAL LOAD DEMAND HAD INCREASED ONLY FOUR PER CENT OVER PREVIOUS YEAR. FUTURE GROWTH ALSO EXPECTED TO BE LOWER THAN EARLIER PROJECTIONS, WITH SEVENTEEN PER CENT GROWTH NOW ANTICIPATED FOR FY 75. EGAT IS NOW REVISING OAD PROJECTIONS FOR NEXT TEN YEARS AND WILL SUBMIT TO NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT BOARD FOR APPROVAL. (EMBASSY HOPES FORWARD DRAFT PROJECTIONS IN NEXT FEW DAYS.)

3. KASEM IN ARTICLE AND PREECHA ON PHONE INSISTED THAT PROJECT IS NOT DEAD, ONLY POSTPONED. PREECHA SAID IT IS NOW PLANNED TO ISSUE TENDERS FOR CONSTRUCTION DURING PERIOD MARCH-JUNE 1975 (LAST ESTIMATE HAD BEEN LATE 1974), OR AFTER NEW PARLIAMENT HAS BEEN ELECTED. EGAT EXPECTS THERE WILL BE PARLIAMENTARY DEBATE ON SAFETY AND ENVIRONMENTAL ASPECTS OF PROJECT, AND THAT POSTPONEMENT WILL PROVIDE MORE TIME TO CAMPAIGN FOR PROJECT, INTENSIFY STUDIES ON ENVIRONMENT, AND EDUCATE PUBLIC ON SAFETY.

4. PREECHA SAID POSTPONEMENT WILL NOT CHANGE CONTRACTUAL ARRANGEMENTS WITH USAEC ON PURCHASE OF URANIUM ENRICHMENT SERVICES.

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5. EMBASSY EXPECTS FURTHER DISCUSSIONS THIS MATTER DURING NEXT FEW DAYS, INCLUDING MEETING OCT. 18 WITH RECENTLY RETIRED PRESIDENT OF WESTINGHOUSE POWER SYSTEMS CO., CURRENTLY VISITING BANGKOK, AND WILL REPORT ANY SIGNIFICANT DEVELOPMENTS. MASTERS

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